

Kentucky Agricultural Development Board

Minutes of the February 16, 2007 Board Meeting

The Kentucky Agricultural Development Board meeting was held on **February 16, 2007** at **10:00 AM EST** in South Wing C, Room 105 of the Kentucky Exposition Center in Louisville, KY. Mark Farrow, presiding, called the meeting to order, and the Secretary called the roll.

Roll Call

Members Present

Donna Amburgey; H. H. Barlow; Vickie Yates Brown; John Cleaver; Rodney Dick; Commissioner Richie Farmer (Mark Farrow, designee); Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Dean M. Scott Smith; Secretary Benjamin Fuqua (Don Goodin, designee via new proxy) (Proxy on file with Board Secretary)

Members with Excused Absences

Governor Ernie Fletcher; Dennis Griffin

Others Present

Staff - Stacia Alford, Catherine Ball, Brian Furnish, Todd Harp, Tim Hughes, Christi Marksbury, Bill McCloskey, Joel Neaveill, Keith Rogers, Nick Whobrey, Stephen Yates

Guests – Sharon Burton, Farmer's Pride; Jeff Gatewood, Office of Employment Training; Lee Meyer, University of Kentucky College of Agriculture; Billy Van Pelt, Purchase of Development Rights of Fayette County

Notification of Media

Mark Farrow received verification from Keith L. Rogers, Chief Executive Officer, that the media had received notice regarding the Kentucky Agricultural Development Board's monthly meeting.

Welcome

Mr. Farrow welcomed everyone to the Kentucky Agricultural Development Board meeting.

Approval of Minutes

Dean Scott Smith moved to approve the minutes of the January 19, 2007 meeting as presented: Jim Mahan seconded the motion. The motion passed without dissent.

Executive Director's Report

Keith Rogers began his report by thanking those Board members who attended the state extension conference the previous week. He asked the Board members to look over the concerns made by the extension agents during the panel discussions at the conference on the document in the update folder. Mr. Rogers also called their attention to the County Comprehensive Update Initiative for 2007 in the folder. (Handouts on file with the Board Secretary)

Mr. Rogers reported that the Allied Project Review committee was cancelled due to inclement weather and will be rescheduled. The committee will report at the March meeting.

The Technical Issues Committee will to meet after the Board meeting to discuss the Agricultural Development Fund Impact Project Study.

Mr. Rogers congratulated Sam Moore for being appointed to the Kentucky State Fair Board. He also congratulated Wayne Hunt for being reappointed to the Kentucky Agricultural Finance Corporation.

Mr. Rogers informed the Board that the 2007 Session had begun the previous week and the Tobacco Settlement Oversight Committee had met as well. Senator Vernie McGaha and Representative Carolyn Belcher have both left the committee for various reasons, along with Representative Adrian Arnold. New committee members were appointed and they are: Senator Carroll Gibson, Representatives Royce Adams and Mike Denham. The new chairs are Senator Gibson and Representative Denham. There were no questions or comments on projects from the January Board meeting.

Mr. Rogers called on Tim Hughes to give a report on the Kentucky Agricultural Finance Corporation (KAFC). Mr Hughes reported that January was one of the busiest months in terms of loan activity and producer interest since receiving funding from the Agricultural Development Board. Interest paid back into the KAFC account was \$535,550. (Handout on file with Board Secretary)

Mr. Rogers announced that the Governor's Summit on Agriculture press release went out two weeks ago to inform the public of the event. The Summit will be the kickoff for a strategic plan for agriculture in Kentucky. The Kentucky Agriculture Council (KAC) will be the lead group for the strategic plan. KAC is a 501c3 organization that encompasses all of agriculture with an existing structure that began about 25 years ago. Dr. Tony Brannon is the chair of the Council. There is an outstanding agenda for the Summit with keynote speakers such as Ed Barlow and Mark Drabenstott. Mr. Rogers encouraged the Board members to let everyone know about the Summit.

Mr. Rogers turned his attention to the Status of Accounts document in the update folder. He informed the Board that the staff had made a request for authorization to spend money that came back from cooperatives. They have been approved but there will be restrictions on the funding. Mr. Rogers asked that the Board wait until the May funding goes out to change the funding in the accounts. He will recommend a budget session at the April or May board meeting.

Mr. Rogers called on Brian Furnish, who introduced his son, Jacob, to the Board.

Presentation

Keith Rogers introduced Jeff Gatewood with the Office of Employment Training to give a presentation to the Board members on the H-2A program. (Handouts on file with Board Secretary)

New Business

Referral of March Projects¹

Mr. Rogers presented projects A2007-0006 to A2007-0032 for referral to the Board's March meeting for review. John Cleaver moved that projects A2007-0006 to A2007-0032 to be

¹ A detailed list of the referred projects is attached as Appendix A.

referred for March review; Mr. Mahan seconded the motion. The motion passed without dissent.

Sam Moore moved to allow counties to use public and/or private sales for the heifer programs and for staff to write a policy statement regarding heifer replacement programs for the Board to adopt at the March Board meeting; Donna Amburgey seconded the motion. The motion passed without dissent.

Approval of Model Programs²

Mr. Farrow presented projects requesting funds for county model programs. Mr. Moore moved the said applications be approved for the named model programs; Mrs. Amburgey seconded the motion. The motion passed without dissent.

Requested Amendments³

Mr. Rogers presented five requested amendments for approval. Rodney Dick moved that said amendments be approved as amended; Wayne Mattingly seconded the motion. The motion passed without dissent.

Stephen Yates presented a memo from the Lexington-Fayette Urban County Government Purchase of Development Rights (PDR) Program requesting to amend their previously funded application, A2006-0196. The applicant is requesting an additional \$100,000 in Fayette County funds to purchase additional agricultural easements for dedicated agricultural use. Mr. Mahan moved that the said amendment be approved; Mr. Mattingly seconded the motion. The motion passed by voice vote with dissensions from Mr. Cleaver and Mr. Dick. (Memo on file with Board Secretary)

Bill McCloskey presented a memo from Pig Improvement Corporation (PIC) regarding the approval of a new PIC Youth Pig Program to benefit 4-H and FFA members from tobacco dependent families as a way to earn credits towards their forgivable loan. Mr. Dick moved to accept the staff recommendation to deny PIC's request; Sam Lawson seconded the motion. The motion passed without dissent.

Stephen Yates presented a memo from the Jessamine County Beef Cattle Association requesting that application A2006-0437 be withdrawn. Mr. Cleaver moved that said application be withdrawn; Mr. Mahan seconded the motion. The motion passed without dissent.

Recommendations for Funding

Nick Whobrey presented A2006-0418, **Mimi's Kitchen, LLC**. Mimi's Kitchen, LLC requests \$41,000 in Owen County, \$1,000 in Franklin County, \$1,000 in Grant County, \$500 in Carroll County funds and \$31,152 in State funds to open a certified kitchen in Owen County. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Lawson moved that **A2006-0418 be approved for \$41,000 in Owen County funds, pend the Grant County funds (to allow the county council to meet and decide on county funds without the approval of State funds) and No Fund the \$31,152 in State funds, the \$1,000 in Franklin County funds and the \$500 in Carroll County funds(Franklin and Carroll counties**

² A detailed list of projects funded under each model program category is attached as Appendix B.

³ A detailed list of requested amendments approved is attached as Appendix C.

stated that their funds were not to be awarded if state funds were not approved); Dean Smith seconded the motion. The motion passed with dissent from Mrs. Amburgey.

Todd Harp presented A2006-0430, **Kentucky Goat Producers Association, Inc.** Kentucky Goat Producers, Inc. requests \$154,748 in State funds for goat and forage research in Kentucky. Mr. Harp reviewed the proposed terms and conditions for the project.

Mr. Dick moved that **A2006-0430 be approved for \$154,748 in State funds;** Mr. Cleaver seconded the motion. The motion passed without dissent. Dean Smith abstained from voting

Stephen Yates presented A2006-0484, **University of Kentucky Research Foundation.** University of Kentucky Research Foundation requests \$6,500 in State funds to offer a pilot risk management program, (referred to as Annie's Project) geared to the needs of Kentucky farm women. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Mattingly moved that **A2006-0484 be approved for \$6,500 in State funds;** Mr. Mahan seconded the motion. The motion passed without dissent. Dean Smith abstained from voting

Stephen Yates presented A2006-0489, **Burgin Independent FFA Chapter.** Burgin Independent FFA Chapter requests \$5,000 in Mercer County funds to remodel the existing greenhouse and to purchase equipment needed for a productive working and teaching greenhouse facility. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Moore moved that **A2006-0489 be approved for \$5,000 in Mercer County funds;** Mr. Mahan seconded the motion. The motion passed without dissent.

Stephen Yates presented A2006-0494, **Jessamine County FFA Alumni Association, Inc.** Jessamine County Alumni Association, Inc. requests \$41,000 in Jessamine County funds for 50% of the construction and equipment cost of a 90' x 30' greenhouse to be located at East Jessamine High School. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Moore moved that **A2006-0494 be approved for \$41,000 in Jessamine County funds;** Mr. Mahan seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2006-0498, **Rowan County Fiscal Court.** Rowan County Fiscal Court along with the Eastern Foothills Cattlemen's Association, Inc. requested \$9,239 in Rowan County funds to administer a Heifer Replacement Program in Rowan County. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Mahan moved that **A2006-0498 be approved for \$9,239 in Rowan County funds;** Mrs. Amburgey seconded the motion. The motion passed without dissent.

Stephen Yates presented A2007-0020, **Shelby County Farm Bureau.** Shelby County Farm Bureau requests \$300,000 in Shelby County funds to administer a menu approach for three model programs: Farm Livestock Fencing Improvement, Hay, Straw & Commodity Storage, and Technology. Mr. Yates reviewed the proposed terms and conditions for the project.

Mrs. Amburgey moved that **A2007-0020 be approved for \$300,000 in Shelby County funds**; Mr. Dick seconded the motion. The motion passed without dissent.

Stephen Yates presented A2007-0021, **Shelby County Cattleman's Association**. Shelby County Cattleman's Association requests \$200,000 in Shelby County funds to administer a menu approach for five model programs: Goat & Sheep Diversification, Forage Improvement & Utilization, Cattle Genetics Improvement, Dairy Diversification and Cattle Handling Facilities. Mr. Yates reviewed the proposed terms and conditions for the project.

Dean Smith moved that **A2007-0021 be approved for \$200,000 in Shelby County funds**; Mr. Cleaver seconded the motion. The motion passed without dissent.

Recommendations for Pending Funding

The following application was discussed, but no action was taken: Kentucky Farmers Market Association, Inc. (A2007-0002).

Other Business

Mr. Cleaver spoke about attending the state extension conference and the discussion on Premise ID. He said that he was opposed to Premise ID and talked about the calls he had received from farmers. Mr. Cleaver moved to rescind the November Board meeting action on Premise ID; Mr. Dick seconded the motion. After some discussion, Mr. Cleaver withdrew his motion. Mr. Cleaver moved in light of change with USDA policy, the ADB will suspend the premise ID requirement on applications effective for 2007; Mr. Dick seconded the motion. Motion passed without dissent.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at 8:30 AM EST on Friday, March 16, 2007 in the Jefferson Suite at the Hilton Garden Inn in Louisville, KY. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

Wayne Hunt moved to adjourn; Mr. Cleaver seconded the motion. The motion passed without dissent. The meeting adjourned at 12:26 PM EST.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2007-0006	3AJC Appalachian Alternative Agriculture of Jackson County, Inc.	Project
A2007-0007	Harrison County Beef Cattle Association	Project
A2007-0008	Harrison County Beef Cattle Association Inc.	Forage Improvement & Utilization
A2007-0009	Harrison County Beef Cattle Association Inc.	Agricultural Diversification
A2007-0010	Harrison County Beef Cattle Association Inc.	Farm Livestock Fencing Improvement
A2007-0011	Harrison County Beef Cattle Association Inc.	Goat & Sheep Diversification
A2007-0012	Harrison County Beef Cattle Association Inc.	Hay, Straw, & Commodity Storage
A2007-0013	Boyle County Farm Bureau	Farm Livestock Fencing Improvement
A2007-0014	Boyle County Farm Bureau	Agricultural Diversification
A2007-0015	Boyle County Farm Bureau	Forage Improvement & Utilization
A2007-0016	Boyle County Farm Bureau	Dairy Diversification
A2007-0017	Lewis County Conservation District	Farm Livestock Fencing Improvement
A2007-0018	Lewis County Conesevation District	Agricultural Diversification
A2007-0019	Lewis County Conservation District	Hay, Straw, & Commodity Storage
A2007-0020	Shelby County Farm Bureau	Project
A2007-0021	Shelby County Cattleman's Association	Project
A2007-0022	Lee County Conservation District	Shared-use Equipment
A2007-0023	Owen County Farm Bureau	Cattle Genetics Improvement
A2007-0024	Jackson Purchase RC&D Foundation, Inc	Hay, Straw, & Commodity Storage
A2007-0025	Jackson Purchase RC&D Foundation, Inc.	Hay, Straw, & Commodity Storage
A2007-0026	University of Kentucky Research Foundation	Project
A2007-0027	KY Home Pork Producers, Inc.	Swine Diversification

APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2007-0028	Kentucky Ketch, Inc.	Shared-use Equipment
A2007-0029	Whitley County Farm Bureau	Shared-use Equipment
A2007-0030	Whitley County Farm Bureau	Shared-use Equipment
A2007-0031	The Agriculture Communications Association, Inc.	Swine Diversification
A2007-0032	Owen County Farm Bureau Beef Subcommittee	Cattle Genetics Improvement

APPENDIX B: Model Programs Recommended for Approval

Agricultural Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0014	Boyle County Farm Bureau	Boyle	\$10,300.00
A2007-0009	Harrison County Beef Cattle Association Inc.	Harrison	\$17,388.00
A2007-0018	Lewis County Conservation District	Lewis	\$12,636.00
			\$40,324.00

Cattle Genetics Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0023	Owen County Farm Bureau	Owen	\$42,400.00
			\$42,400.00

Dairy Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0016	Boyle County Farm Bureau	Boyle	\$4,000.00
			\$4,000.00

Farm Livestock Fencing Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0013	Boyle County Farm Bureau	Boyle	\$103,000.00
A2007-0010	Harrison County Beef Cattle Association Inc.	Harrison	\$50,000.00
A2007-0017	Lewis County Conservation District	Lewis	\$45,744.00
			\$198,744.00

Forage Improvement & Utilization

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0015	Boyle County Farm Bureau	Boyle	\$103,000.00
A2007-0008	Harrison County Beef Cattle Association Inc.	Harrison	\$30,000.00
			\$133,000.00

Goat & Sheep Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0011	Harrison County Beef Cattle Association Inc.	Harrison	\$5,000.00
			\$5,000.00

APPENDIX B: Model Programs Recommended for Approval

Hay, Straw, & Commodity Storage

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0024	Jackson Purchase RC&D Foundation, Inc	Ballard	\$157,740.00
A2007-0012	Harrison County Beef Cattle Association Inc.	Harrison	\$50,000.00
A2007-0019	Lewis County Conservation District	Lewis	\$50,000.00
A2007-0005	Lyon County Conservation District	Lyon	\$5,000.00
A2007-0025	Jackson Purchase RC&D Foundation, Inc.	McCracken	\$50,967.00
			\$313,707.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0028	Kentucky Ketch, Inc.	Clay	\$2,815.00
A2007-0022	Lee County Conservation District	Lee	\$16,195.00
A2007-0004	Owen County Farm Bureau, Inc.	Owen	\$16,875.00
A2007-0029	Whitley County Farm Bureau	Whitley	\$10,625.00
A2007-0030	Whitley County Farm Bureau	Whitley	\$2,825.00
			\$49,335.00

Swine Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0031	The Agriculture Communications Association, Inc.	Hardin	\$52,000.00
A2007-0027	KY Home Pork Producers, Inc.	Nelson	\$15,000.00
			\$67,000.00

Total County Funds Recommended for Approval in Model Programs: **\$853,510.00**

APPENDIX C: Requested Amendments-Projects & Programs

App #	A2006-0245
Applicant Name	Woodford County Agriculture Advancement Council, Inc.
Amount Approved	\$95,000.00
Date	June 16, 2006
Requested Change	The applicant requests an <u>additional</u> \$35,540.00 for a menu approach of the following programs: <i>Ag Diversification and Farm Livestock Fencing Improvement</i> Programs. The request received a <u>high</u> priority from the Woodford County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$130,540.00.
Recommendation	Approval
App#	A2006-0246
Applicant Name	Woodford County Agriculture Advancement Council, Inc.
Amount Approved	\$60,000.00
Date	June 16, 2006
Requested Change	The applicant requests an <u>additional</u> \$20,000.00 for a menu approach of the following programs: <i>Cattle Handling Facilities, Cattle Genetics Improvement and Forage Improvement & Utilization</i> Programs. The request received a <u>high</u> priority from the Woodford County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$80,000.00.
Recommendation	Approval
App#	A2006-0248
Applicant Name	Woodford County Agriculture Advancement Council, Inc.
Amount Approved	\$30,000.00
Date	June 16, 2006
Requested Change	The applicant requests an <u>additional</u> \$30,000.00 for a menu approach of the following programs: <i>On-Farm Water Enhancement and Goat & Sheep Diversification</i> Programs. The request received a <u>high</u> priority from the Woodford County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$60,000.00.
Recommendation	Approval

APPENDIX C: Requested Amendments-Projects & Programs

App#	A2006-235
Applicant Name	Trimble County Cattleman's Association, Inc.
Amount Approved	\$226,000.00
Date	June 16, 2006
Requested Change	The applicant requests an <u>additional</u> \$8,451.00 for a menu approach of the following programs: <i>Forage Improvement & Utilization, Cattle Genetics Improvement, Cattle Handling Facilities, Farm Livestock Fencing Improvement, Hay, Straw, & Commodity Storage, Technology, Goat & Sheep Diversification, Dairy Diversification, Timber Production, Utilization, & Marketing, Swine Diversification, and Agricultural Diversification</i> Programs. The request received a <u>high</u> priority from the Trimble County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$234,451.00.
Recommendation	Approval
App#	A2006-0087
Applicant Name	Mountain Cattlemen's Association, Inc.
Amount Approved	\$30,000.00
Date	April 21, 2006
Requested Change	The applicant requests an <u>additional</u> \$25,000.00 for a menu approach of the following programs: <i>Cattle Handling Facilities and Cattle Genetics Improvement</i> Programs. The request received a <u>high</u> priority from the Lee County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$55,000.00.
Recommendation	Approval